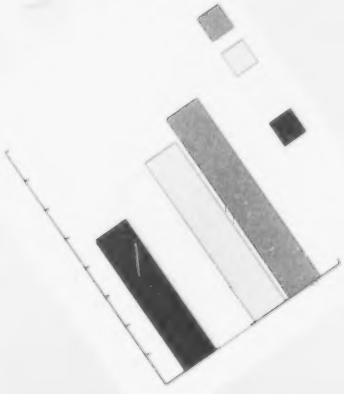
Gather your employees under OSHA's umbrella

Nutrition: Making the client connection

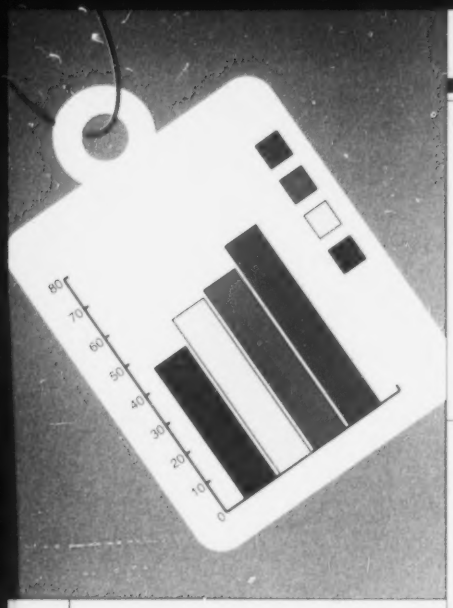
Take the annoyance out of exam-room delays

ANNUAL FEES REPORT



Plus,

HOW TO SET YOUR FEES FOR *PROFIT*



CONTENTS

VETERINARY ECONOMICS
VOLUME 33, NUMBER 10
OCTOBER 1992

ANNUAL
FEES REPORT

20 COVER STORY, PART 1

1992 ACT climbs 12.2 percent

After growing only 3.2 percent in 1991, the average charge per transaction (ACT) made significant strides this year—but not all veterinarians participated in the fee hikes. Here's a look at the rise and fall of a variety of charges, based on your colleagues' responses to our annual survey.

32 COVER STORY, PART 2

How to set your fees for *profit*

If you update old fee schedules by placing calls to other practices, you may not be getting a fair and profitable return for your practice. Here's a systematic plan for setting fees that make sense for *you*.

40 HOSPITAL DESIGN

Determination makes the difference in design project

Dr. Gary Burge flirted with fate when he set out to build a large veterinary center in a depressed Denver economy. But his "dare-to-dream" approach helped turn the odds in his favor and led to the creation of the award-winning Elmfield Veterinary Center & Pet Lodge.

48 NUTRITION, PART 1

Nutrition: Making the client connection

Americans are embracing nutrition for their pets—and these doctors are embracing right back. They've found that their commitment to nutrition pays off in good medicine, client loyalty, and practice revenue.

53 NUTRITION, PART 2

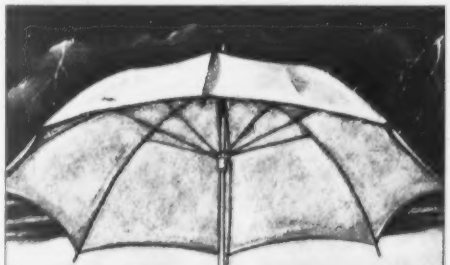
P.S.: Don't forget the client's emotions

Frustrated by how difficult it is to change the way some of your clients feed their pets? Dr. Jacob Antelyes says that before you give up or give in, you must understand the emotions that rule both owner and animal.

58 CLIENT RELATIONS

How to take the annoyance out of exam-room delays

Having to wait for you in the exam room can annoy even your nicest clients—and agitate their animals as well. To keep tempers from flaring, Dr. Marty Becker explains how to pamper and educate waiting clients, and thereby show them that their time in the exam room is well-spent.



60 PERSONNEL

Gather your employees under the OSHA umbrella

The government's push to protect employees is sweeping toward veterinary practices, and you'd be wise to get ready. Here's how to shelter your practice from the coming OSHA storm.

DEPARTMENTS

6 Memo from the Editor
12 Success File
69 New for You
70 Marketplace

Artwork credits: page 69

9 Forecasts
A possible refund for PSCs; "wow" client service; and a special tax break for hurricane victims.

12 Noteworthy
Hurricane Andrew took its toll on the veterinary community. Here's what you can do to help.

14 Practice Management Q&A
Compensation for specialists; accounts receivable for large animal practices; and more.

80 The Back Page
Wit and wisdom on fake pets; false cows; and the role luck plays in a successful business.

MEMO FROM THE EDITOR

Kathy Turner? Or is that Becky Lumetta?

In early 1988, Kathy Lumetta and I were both fairly new to VETERINARY ECONOMICS. I'd come on board as the managing editor in November; she'd been the assistant editor since the previous summer. There was still some confusion around the office about which one of us was which; in fact, our matching dark hair led at least one person to think there was only one of us. "Now what's her name? Kathy Turner?"

By February or so, we knew our way around the magazine pretty well, and we were starting to get a feel for the audience. Merit awards, continuing surveys, mixed animal practitioners, and "Ah ha" weren't completely mysterious terms anymore, but it still took us somewhat by surprise when the editor left, and we found ourselves fully in charge. "Can you do it?" the publisher asked, and we said we could.

I remember the long hours we spent on the first issue we did—and the slight shock of realizing we had to do it again the next month, and the month after that. Eventually, we brought the staff back up to three people, but the momentum never wavered during the "lean" months—thanks in large part to Kathy's willingness and determination to fulfill our claim that we could, in fact, "do it."

We've been moving full steam ahead ever since, with Kathy making a quick ascent to associate editor and then managing editor. Along the way, she's become the hospital design editor, coordinating a competition and a conference that are now more successful than they've ever been. I don't even try to answer hospital-design questions—I just refer them to Kathy.

Unfortunately, however, I won't be able to do that anymore. After this issue, Kathy is on her way to a freelance career in a yet-to-be determined "exotic locale." She's ready for a change, she says, but the good news is that she's *not* ready to give up her ties to your profession. As a freelancer, she'll continue to write and edit articles, and keep her hand in hospital design.

We'll miss Kathy's hard work and creativity, and wish her all the best in the adventure that awaits her. For a while, Renée Anderson, the assistant editor, and I will be on our own. I don't anticipate any problems, though—as long as Kathy has phone service in her exotic new home.

Becky Turner

VETERINARY ECONOMICS (ISSN0042-4862) is published monthly by Veterinary Medicine Publishing Co., 9073 Lenexa Dr., Lenexa, KS 66215. Telephone (913) 492-4300. Copyright © 1992 by Veterinary Medicine Publishing Co. All rights reserved. None of the content of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording, or otherwise) without the prior written permission of the publisher. Printed in U.S.A. Price: $6 a copy; $35 a year (U.S.A.); $50 a year (Canada and Mexico); $70 a year (foreign). Address correspondence to: VETERINARY ECONOMICS, 9073 Lenexa Dr., Lenexa, KS 66215. Second-class postage paid at Shawnee Mission, Kan., and additional entry offices. Postmaster: Send change of address notice to VETERINARY ECONOMICS, 9073 Lenexa Dr., Lenexa, KS 66215.

veterinary economics

Editor
Rebecca R. Turner
Managing Editor
Catherine C. Lumetta
Assistant Editor
Renée L. Anderson
Special Assignments Editor
Rebecca Gants
Practice Management Editor
Ross Clark, DVM
Financial Editor
Owen McCafferty, CPA
Consulting Editor
Tracy L. Revoir, DVM
Editorial Assistant
Ruth Espy

Publisher
Ray Glick, DVM

Design Director
Gregory B. Kindred
Art Director
Alison J. Fulton

Editorial Advisory Board
Marty Becker, DVM
Alan Berger, DVM
Alan Bush, DVM
Dan Chapel, AIA
Ross Clark, DVM
Don Dooley
David Gallagher
Harry James, DVM
E. John Knapp, AIA
David Lane, DVM
Owen McCafferty, CPA
James Rosenberger, DVM
Sam Strahm, DVM
Wayne Usiak, RA
James Wilson, DVM, JD
Cynthia Wutchiett, CPA

National Sales Manager
Doug Catt
Eastern Account Manager
Jed Bean
Western Account Manager
Terry Reilly
Inside Sales/Ad Production
Sue Weller
Ad Production Assistant
Sandy Hall
Advertising Assistant
Becky Lindblom

Circulation Manager
Helen McGraw

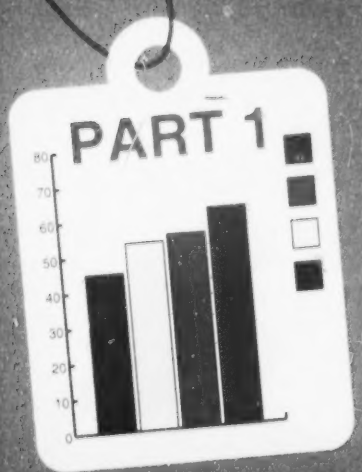
VETERINARY MEDICINE PUBLISHING CO.
Senior Vice President/General Manager
Ray Glick, DVM
Vice President/Business Manager
Cary Seem

Officers of Medical Economics Publishing Co.: President and Chief Executive Officer, James J. Pfister; Executive Vice Presidents: Leon C. Hufnagel Jr., Paul Konowitch; Senior Vice Presidents: Richard F. Kiernan, Barbara M. Pritchard, William Reynolds; Vice Presidents: Andrew J. Weber, Juli Wilhelm.

BPA ABP

Volume 33, Number 10

ANNUAL FEES REPORT



1992 ACT CLIMBS 12.2 PERCENT

After growing only 3.2 percent in 1991, the average charge per transaction (ACT) made significant strides this year—but not all veterinarians participated in the fee hikes. Here's a look at the rise and fall of a variety of veterinary charges.

Despite a few plummeting fees, this year's fee report paints a positive picture, with significant gains in ACTs for all but large animal doctors. To help satisfy your curiosity about who is charging what, you'll also find ACT figures by region, and average fees for a variety of services in all practice types.

Before you delve into the charts, a word of caution: The figures you'll find are nationwide averages, based on data provided by more than 1,000 full-time practitioners. The percentages are designed to help you pinpoint trends, and the numbers will allow you to compare your fees to those of your colleagues. The information isn't, however, meant to be a guide for setting *your* fees.

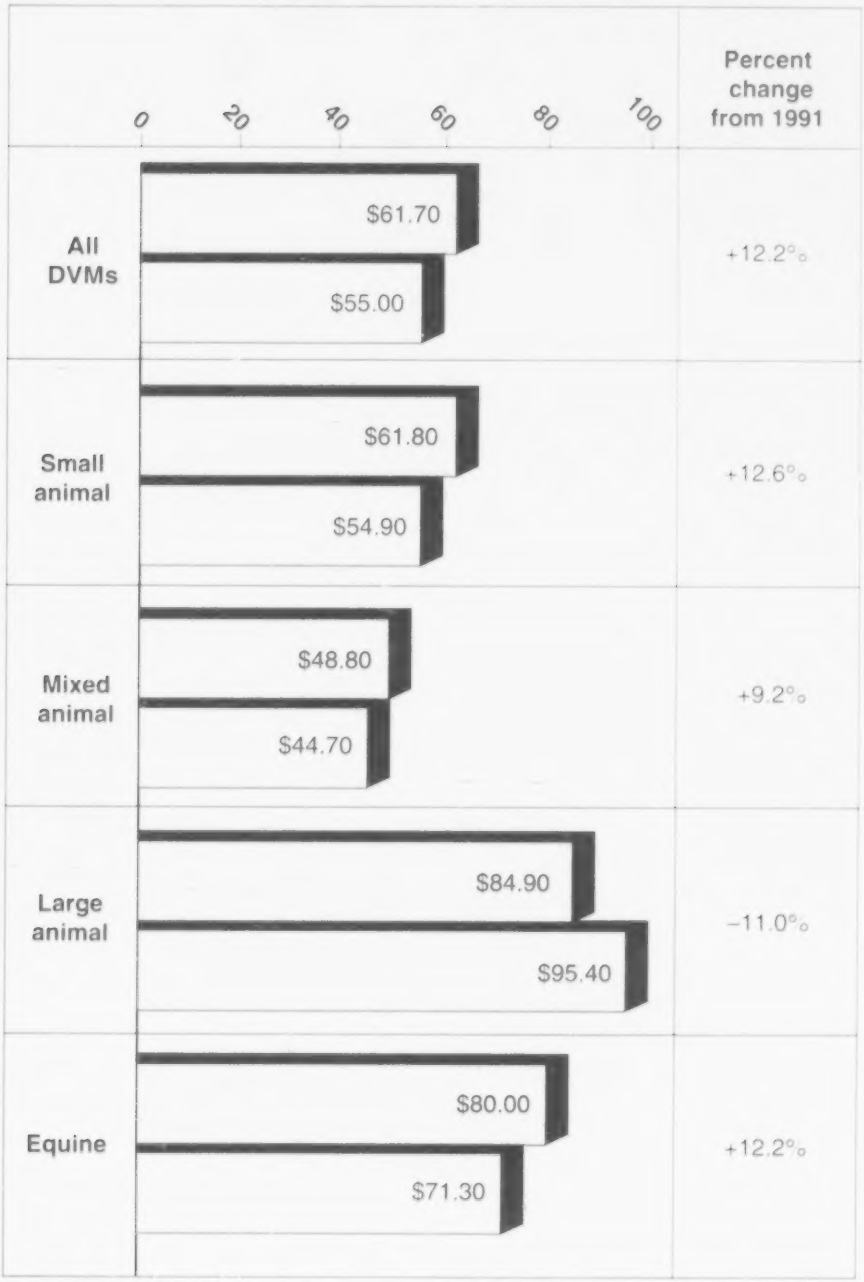
As Mark Opperman notes in his article on page 32, a common fee-setting technique is to phone the practice down the street. And although making such a call or studying survey findings can provide interesting information, Opperman offers a much more effective way to set fair and profitable fees for your practice.

As you make decisions about your fees, you might refer to the following articles as well:

- "Charging Higher Fees with Confidence," and "Phasing Out the ACT in Large Animal Practice," October 1991
- "Fees and the Quality Practice: How to Stand Out in the Crowd," October 1990
- "Setting Surgery Fees Based on Actual Cost," Parts 1-3, April, May, June 1990
- "How to Set Your Prices Profitably," and "Setting Fees with a Computerized Planning Model," November 1989
- "You Can Take These Fees to the Bank," June 1989
- "Overcoming Your Fear of Raising Fees," and "Put Your Fees in Proper Perspective," October 1988

If you can't find your back issues, reprints are available for $4 each, or the 11 articles listed above are available for $30. Write: VETERINARY ECONOMICS, 9073 Lenexa Dr., Lenexa, KS 66215. And for more information on this year's survey, see the September issue, page 32.

TOTAL ACT* UP 12.2 PERCENT



*Clinical procedures, drugs, and merchandised products. For separate figures for clinical procedures and drugs and for merchandised products, see page 22.
All figures are 1992 nationwide means (averages).
Base: full-time practicing veterinarians.
Note: In 1991, the inflation rate was 3.1 percent; in 1990, it was 6.1 percent.

Q How do you compute the average client transaction charge?

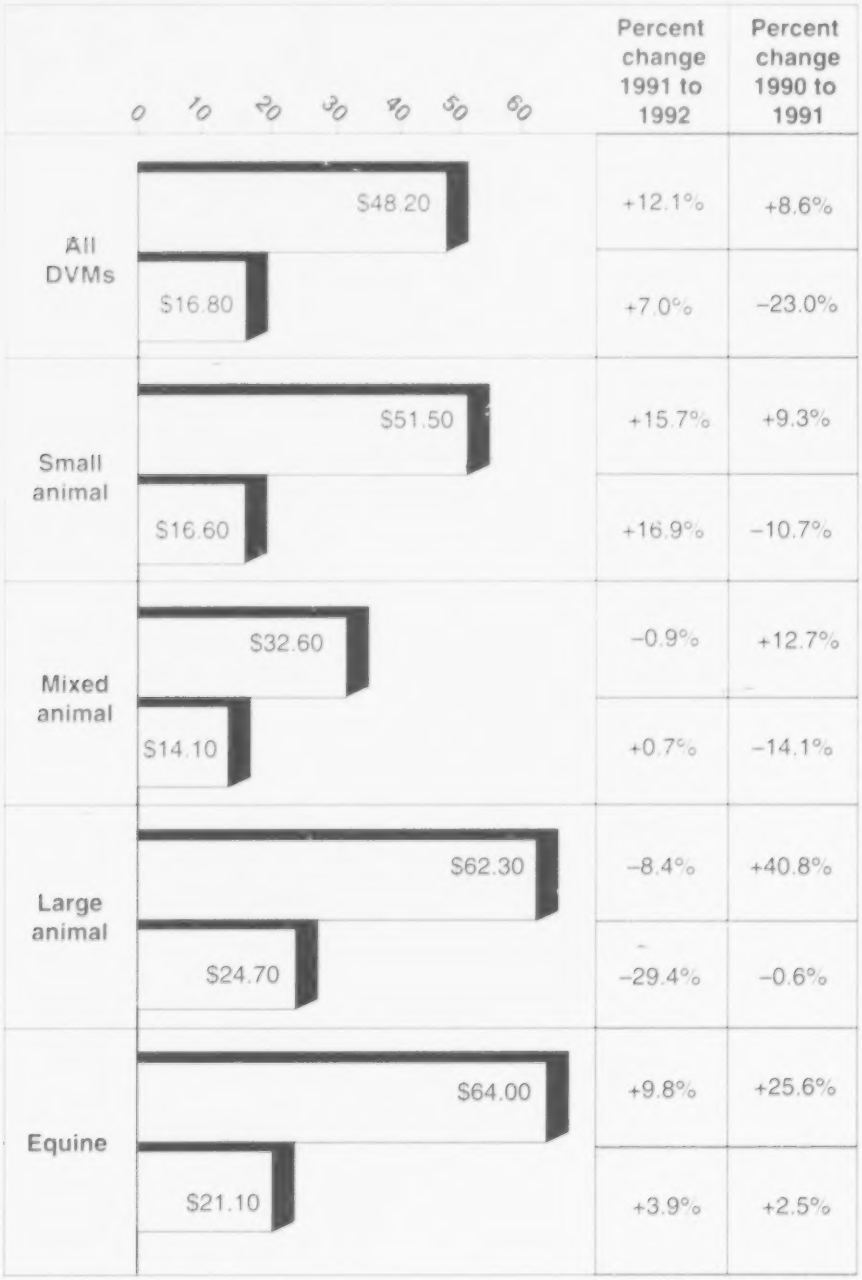
A Practice Management Editor Dr. Ross Clark says the most common formula, the one that best allows for practice-to-practice comparisons, is to divide the total gross by the total number of transactions. "It's critical to include food sales, drugs, and other incidentals purchased outside an office call," he says. "Also, I think it's important to do the same computations separately for medical procedures and for retail transactions." (Turn the page for these ACTs.)

1992
1991

PROCEDURES *VS.* PRODUCTS: A LOOK AT SHIFTING STRATEGIES

Q Why break the ACT into "procedures" & "products"?

A Based on your requests for a more detailed analysis of the average charge per transaction, we asked survey respondents to provide their ACT for clinical procedures and drugs, their ACT for merchandised products, and their total ACT. As you can see, the yearly fluctuations in both categories are significant. For example, the procedures ACT for large animal doctors rose 40.8 percent from 1990 to 1991—and fell 8.4 percent from 1991 to 1992.



	Percent change 1991 to 1992	Percent change 1990 to 1991
All DVMs	+12.1%	+8.6%
	+7.0%	–23.0%
Small animal	+15.7%	+9.3%
	+16.9%	–10.7%
Mixed animal	–0.9%	+12.7%
	+0.7%	–14.1%
Large animal	–8.4%	+40.8%
	–29.4%	–0.6%
Equine	+9.8%	+25.6%
	+3.9%	+2.5%

All figures are 1992 nationwide means (averages)
Base: full-time practicing veterinarians
Note: In 1991, the inflation rate was 3.1 percent; in 1990, it was 6.1 percent

A REGIONAL LOOK AT ACT CHARGES

	ACT for procedures/ drugs[1]	Percent change*	ACT for products[2]	Percent change*	ACT (total)[3]	Percent change*
New England	$40.30	–8.4%	$14.70	–1.3%	$51.80	–4.6%
Mid-Atlantic	$42.30	–18.2%	$17.60	+13.5%	$54.30	–18.0%
South Atlantic	$53.40	+16.8%	$15.90	– 4.8%	$61.80	+6.6%
Mid-South	$38.50	–2.3%	$23.30	+53.3%	$64.60	+21.4%
South Central	$40.40	+6.6%	**	**	$58.00	+23.1%
Pacific	$66.20	+25.4%	$15.90	–26.7%	$75.50	+14.4%
Mountain	$51.50	+15.0%	$16.70	+23.7%	$62.40	+11.2%
Plains	$40.30	+6.9%	**	**	$63.10	+26.2%
Great Lakes	$44.00	+12.2%	$17.50	+19.0%	$53.10	+7.3%

*1991 to 1992 ** Not available

[1]Clinical procedures and drugs

[2]Merchandised products

[3]Average total charge per transaction. This information is requested and tabulated separately; thus the figures in columns 1 and 3 will not add up to the figures in column 5, which must be treated as a separate entity.

All figures are 1992 means (averages).

Base: full-time practicing veterinarians

SMALL ANIMAL FEES

	Fee	Percent change[2]
Average charge per transaction (total)[1]	$61.80	+ 12.6%
Office call (includes exam)	$23.70	+ 13.9%
Lab analysis:		
CBC	$18.90	+ 3.8%
Fecal	$9.90	+ 5.3%
Feline leukemia test	$21.60	0%
Heartworm test	$16.80	+ 11.3%
Serum chemistry profile	$40.40	+ 18.5%
Urinalysis	$16.80	0%
Basic vaccination:		
Dog	$37.50	+ 21.8%
Cat	$31.70	+ 8.2%
Fee for procaine penicillin G injection:		
30-lb dog	$11.70	+ 5.4%
8-lb cat	$10.80	+ 8.0%
Hospitalization per day (including daily exam and boarding):		
30-lb dog	$20.40	+ 1.5%
8-lb cat	$18.60	+ 1.6

	Fee	Percent change[2]
Boarding, per day:		
30-lb dog	$9.40	– 2.1%
8-lb cat	$8.00	+ 2.6%
Ovariohysterectomy (including anesthesia and hospitalization):		
30-lb dog	$81.60	+ 1.0%
8-lb cat	$63.20	– 1.1%
Diagnostic X-ray series (including sedation):		
2 or fewer films	$66.10	+ 21.1%
3-6 films	$98.10	+ 11.9%
Procedures and treatments:		
Heartworm treatment	$196.80	+ 7.7%
Dental scaling (dog, no extractions)	$64.60	+ 12.7%
Dental scaling (cat, no extractions)	$56.60	+ 0.7%
Deworming 30-lb dog[3]	$15.00	+ 2.7%
Deworming 8-lb cat[4]	$12.80	+ 9.4%

[1]Clinical procedures, drugs, and merchandised products. For separate figures for clinical procedures and drugs, and merchandised products, see page 22.
[2]Percent increase or decrease from 1991 figures.
[3]Includes hooks, rounds, whips, and tapes.
[4]Includes hooks, rounds, and tapes.
All figures are 1992 nationwide means (averages).

Also according to VETERINARY ECONOMICS' financial survey:

73.4 percent of small animal doctors are male; 26.6 percent are female.

The average small animal practitioner has been in practice for 13.5 years.

The average small animal practice serves 4,247 active clients (those who've been in at least once in the last year).

✓ *The average small animal practitioner sees 80 clients in a typical workweek.*

✓ *Small animal practitioners work an average of 49.3 hours per week.*

✓ *In 1991, the average small animal veterinarian took home $62,700. (For more data, see the September issue.)*

MIXED ANIMAL FEES

	Fee	Percent change[2]
Average charge per transaction (total)[1]	$48.80	+ 9.2%
Office call (includes exam)	$17.20	+ 14.7%
Lab analysis:		
CBC	$15.60	*
Fecal	$8.10	+ 6.6%
Feline leukemia test	$17.50	+ 5.4
Heartworm test	$11.70	– 4.1
Serum chemistry profile	$26.70	*
Urinalysis	$11.60	+ 13.7
Basic vaccination:		
Dog	$22.10	+ 2.3%
Cat	$21.60	+ 8.0%
Horse	$20.30	+ 3.0%
Cow	$6.40	*
Pig	$9.70	*
Farm call:		
Mileage charge (cents per mile)	$1.07	+ 12.6%
Exam charge per animal	$14.20	– 6.6%
Average total charge per animal[3]	$40.70	+ 7.7%

	Fee	Percent change[2]
Hospitalization per day (including daily exam and boarding):		
30-lb dog	$11.00	– 13.4%
8-lb cat	$9.80	– 31.5%
Horse	$13.00	– 17.2%
Cow	$10.30	0%
Pig	$9.20	*
Boarding, per day:		
30-lb dog	$6.70	0%
8-lb cat	$5.60	– 3.4%
Ovariohysterectomy (including anesthesia and hospitalization):		
30-lb dog	$60.90	– 1.5%
8-lb cat	$49.30	+ 1.4%
Diagnostic X-ray series (including sedation):		
2 or fewer films	$38.20	– 0.3%
3–6 films	$65.70	+ 1.1%

[1]Clinical procedures, drugs, and merchandised products. For separate figures for clinical procedures and drugs, and merchandised products, see page 22.
[2]Percent increase or decrease from 1991 figures.
[3]Includes all medical work performed.
*Not available.
All figures are 1992 nationwide means (averages).

Also according to the survey:

✓ 80.6 percent of mixed animal practitioners are male; 19.4 percent are female.

✓ The average mixed animal practitioner has been in practice for 14.5 years.

✓ The average mixed animal practice serves 2,773 active clients (those who've visited at least once in the past year).

✓ The average mixed animal practitioner sees 72.5 clients in a typical workweek.

✓ Mixed animal practitioners work an average of 57.1 hours per week.

✓ In 1991, the average mixed animal veterinarian took home $50,700. (For more data, see the September issue.) ▶

LARGE ANIMAL FEES

	Fee	Percent change[2]
Average charge per transaction (total)[1]	$84.90	- 11.0%
Basic vaccination:		
Beef cow	$10.50	+ 64.1%
Dairy cow	$3.90	- 26.4%
Feedlot steer	$5.60	+ 12.0%
Calf	$5.70	+ 46.2%
Pig	$5.90	*
Farm call:		
Mileage charge (cents per mile)	$0.93	+ 2.2%
Exam charge per animal	$16.50	+ 13.8%
Average total charge per animal[3]	$38.40	+ 26.3%
Consultation fee	$48.50	+ 16.6%

	Fee	Percent change[2]
Procedures and treatments:		
Mastitis treatment	$33.00	+ 5.1%
Breeding soundness exam	$60.40	+ 27.2%
Calf scours treatment	$18.60	- 5.1%
Deworming (one time)	$10.30	+ 49.3%
Castration	$32.50	+ 20.8%
C-section	$146.10	- 4.9%
Milk-fever treatment	$33.20	- 5.7%
Rectal palpation	$9.10	+ 102.2%
Fecal	$9.50	+ 8.0%

[1]Clinical procedures, drugs, and merchandised products. For separate figures for clinical procedures and drugs, and merchandised products, see page 22.
[2]Percent increase or decrease from 1991 figures.
[3]Includes all medical work performed.
*Not available.
All figures are 1992 nationwide means (averages).

Also according to VETERINARY ECONOMICS' financial survey:

- *88.6 percent of large animal practitioners are male; 11.4 percent are female.*
- *The average large animal practitioner has been in practice for 16.4 years.*
- *The average large animal practice serves 1,249 active clients (those who've visited at least once in the past year).*
- *The average large animal practitioner sees 51.7 clients in a typical workweek.*
- *Large animal practitioners work an average of 57.4 hours per week.*
- *In 1991, the average large animal veterinarian took home $61,300. (For more data, see the September issue.)* ▶

EQUINE FEES

	Fee	Percent change[2]
Average charge per transaction (total)[1]	$80.00	+ 12.2%
In-clinic visit:		
Exam charge per animal	$22.20	*
Average total charge per animal	$72.80	*
Lab analysis:		
CBC	$17.40	– 1.7%
Coggins test	$21.10	+ 20.6%
Fecal	$11.20	+ 15.5%
Basic vaccination	$22.50	+ 4.2%
Farm/field call:		
Mileage charge (cents per mile)	$0.89	+ 4.7%
Exam charge per animal	$26.10	+ 45.8%
Average total charge per animal[3]	$66.30	+ 15.3%
Radiography:		
Two views	$45.20	+ 22.2%
Navicular series (per foot)	$62.50	+ 7.8%

	Fee	Percent change[2]
Hospitalization per day (including daily exam and boarding)	$31.20	+ 43.8%
Fertility workup	$98.90	+ 10.8%
Breeding soundness exam	$124.30	– 3.4%
Lameness exam	$41.40	+ 17.3%
Procedures and treatments:		
Deworming (one time)	$17.20	+ 4.9%
Castration	$112.00	+ 2.5%
Float teeth	$25.40	+ 4.1%
Suture skin laceration (per half hour)	$55.80	+ 2.8%
Intensive neonatal care (one-day)	$174.20	– 3.0%
Medical treatment for colic (excluding exam fee)	$75.80	+ 7.8%

[1]Clinical procedures, drugs, and merchandised products. For separate figures for clinical procedures and drugs, and merchandised products, see page 22.
[2]Percent increase or decrease from 1991 figures.
[3]Includes all medical work performed.
*Not available.
All figures are 1992 nationwide means (averages).

Also according to the survey:

✔ *78.5 percent of equine practitioners are male; 21.5 percent are female.*

✔ *The average equine practitioner has been in practice for 14.1 years.*

✔ *The average equine practice serves 1,125 active clients (those who've visited at at least once in the past year).*

✔ *The average equine practitioner sees 66.0 clients in a typical workweek.*

✔ *Equine practitioners work an average of 59.1 hours per week.*

In 1991, the average equine doctor took home $63,300. (For more data, see the September issue.) ■